

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

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DEC 3 - 1996

Federal Communications Commission  
Office of Secretary

In the Matter of

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Billed Party Preference for  
InterLATA 0+ Calls

CC Docket No. 92-77

REPLY COMMENTS OF U S WEST, INC.

U S WEST, Inc. ("U S WEST") reaffirms our support for the proposal proffered in our opening Responses to questions posed by the Common Carrier Bureau ("Bureau").<sup>1</sup> Consumers should be educated that, if they desire rate quote information on a 0+ call, they should simply "stay on the line." If there is no interest in such information, a caller can simply "bypass" any rate information by proceeding with the call, through either an automated or live process.<sup>2</sup> This is the simplest and most appropriate model proposed, particularly as the market and industry continue to adjust (in light of the Federal Communications Commission's ("Commission") activities in CC Docket Nos. 96-128 and 91-35,<sup>3</sup> both of which have

<sup>1</sup> Public Notice, Common Carrier Bureau Seeks Further Comment On Specific Questions In OSP Reform Rulemaking Proceeding, In the Matter of Billed Party Preference for InterLATA 0+ Calls, CC Docket 92-77, DA 96-1695, rel. Oct. 10, 1996.

<sup>2</sup> See U S WEST Comments, filed herein Nov. 13, 1996 at iii, 9-10.

<sup>3</sup> In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket Nos. 96-128, 91-35, Report and Order, FCC 96-388, rel. Sep. 20, 1996; appeals pending sub noms. 96-1394, 96-1395, 96-1407, 96-1428 (D.C. Cir.).

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the potential to affect Operator Service Provider (“OSP”) 0+ rates, possibly downward,<sup>4</sup> thereby reducing further the limited number of customer complaints).

U S WEST agrees with those commentators who assert that “[w]hat is significant is not whether there is routine price disclosure but whether there are procedures available for consumers to obtain price information and to make informed choices.”<sup>5</sup> Those disclosure vehicles that currently exist certainly could be found to be sufficient. But to the extent that more is deemed necessary, the challenge is primarily in the area of consumer education -- not further regulatory mandates.

Alternatively, U S WEST supports the CompTel proposal which would convey basic information immediately after the branded identity of the provider.<sup>6</sup> While we believe that the CompTel proposal has the potential to engender more customer confusion into the market than does that proposed by U S WEST,<sup>7</sup> it also benefits

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<sup>4</sup> See, e.g., Peoples Telephone Company, Inc. (“Peoples”) at 4-5 (noting a casual link between these proceedings and the rates charged by OSPs for 0+ calls, suggesting that the rates will decrease now that compensation has been mandated and suggesting a conservative approach in the area of mandated rate disclosures pending at least the first phase of the Commission’s compensation transition plan); U.S. Long Distance, Inc. (“USLD”) at 3; American Public Communications Council (“APCC”) at 6-7; American Network Exchange, Inc. (“AMNEX”) at 6 n.5; Intellicall, Inc. (“Intellicall”) at 1.

<sup>5</sup> Oncor Communications, Inc. at i, 3. And see AMNEX at 7; Inmate Calling Services Providers Coalition (“Inmate Coalition”) at 3.

<sup>6</sup> Competitive Telecommunications Association (“CompTel”) at 1-5. This proposal is also supported by AMNEX at 5-6.

<sup>7</sup> U S WEST prefers our proposal because it conveys a single message, workable on every phone, that minimizes the extent to which an individual caller must pay attention to the details (e.g., hit # or hit \* or hit 24, etc.). Compare CompTel at 3 n.7, noting the possible variations that might be referenced to the calling consumer.

from a simplicity that both informs and allows for easy bypass of the message for those uninterested in hearing it or proceeding further to secure rate information. Either proposal allows the vast majority of the away-from-home calling public to realize the significant economies and efficiencies associated with automated calling technology and practices.

From the above, it is clear that U S WEST opposes the imposition of mandatory rate disclosures on all 0+ calls,<sup>8</sup> and we support the substantial number of commentors pressing similar opposition.<sup>9</sup> With few exceptions,<sup>10</sup> commenting

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<sup>8</sup> Intellicall represents that, based on conversations with the Commission Staff, the questions posed by the Bureau regarding “on demand call rating” (a phrase which U S WEST stated was confusing, see U S WEST Comments at 7-8) were meant to apply to “exact rate quotes on all calls exceeding a benchmark.” Intellicall at 1 n.1. Given that this was not clear from the questions posed, most commentors do not confine their remarks to disclosures only above a certain benchmark. But see APCC at 2 (stating that calls below a benchmark should have no new disclosure requirements); Peoples at 4 n.5 (arguing that disclosures should only be required above a reasonable benchmark, supporting the Industry Coalition benchmark); Inmate Coalition at 10 (suggesting a disclosure on all calls after a date certain, but phasing in the requirement with an “above benchmark” disclosure). And see U.S. Osiris (“USOC”) at 2 (opposing any differentiation with respect to message carriage based on rates above or below a benchmark).

<sup>9</sup> See generally, AMNEX; Bell Atlantic, BellSouth Corporation, NYNEX Telephone Companies (“Bell Atlantic, et al.”); Peoples; MCI Telecommunications Corporation (“MCI”); Southwestern Bell Telephone Company (“SWBT”).

<sup>10</sup> One Call Communications, Inc. d/b/a Opticom (“Opticom”) appears to support such disclosures. See Opticom generally, as well as the People of the State of California and the Public Utilities Commission of the State of California (“California PUC”). While Opticom does provide certain information on how a technically-supported rate disclosure model might be created, the California PUC merely continues to profess its “beliefs,” contradicted by existing record evidence, that the possibility of Billed Party Preference (“BPP”) is advanced through number portability technology and that “technology exists, and has for many years, which provides expedient means to provide on-demand call rating information for calls from payphones.” California PUC at 2-3. The California PUC is simply incorrect with respect to its

parties argue that real-time rate disclosures are not necessary because of a number of factors: (1) that rates are generally within an expected range;<sup>11</sup> (2) that the majority of the calling public is aware of how to reach a carrier either familiar to them or with whom they wish to do business;<sup>12</sup> and (3) that capabilities to secure rate information are already available to those consumers who desire the information.<sup>13</sup>

In addition to the general lack of market need for rate disclosures is the overarching fact that real-time or exact rate disclosures are not now feasible, generally because there is no technological support.<sup>14</sup> And the responses to the

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BPP observation; and -- beyond coin calling calls from payphones, it is incorrect with respect to its second observation, as well.

InVision Telecom, Inc. ("InVision") states that it has payphone equipment designed specifically for inmate calling systems, produced by Omniphone, that has some sort of rate quoting capability and that it believes it could expand the capability at a reasonable cost within that market segment. InVision at 3. However, it notes that it may be unique. Id. at 3-4.

<sup>11</sup> See, e.g., Peoples at 1-3 ("Any requirement for mandatory price disclosure of prices that already are in line with consumer expectations, prior to connecting these calls, will only cause greater distress for the consumer that expects a payphone call to be connected quickly without any unnecessary delay."); MCI at 2 ("As the Commission has acknowledged, the majority of 0+ calls are priced at or below the level of consumer expectations.").

<sup>12</sup> See, e.g., Peoples at 3 (noting that dial-around calls account for over 19% of the call volume from their payphones and that 0+ calling is less than 5% of the calls made).

<sup>13</sup> See, e.g., id. at 3-4 (noting that consumers can now press 0 or 00 after the bong tone to reach a live operator to provide rate information, and that the rate card on the pay station contains information on how to secure rate information, if desired); Oncor at 3-4, 5; Southwestern Bell Telephone Company ("SWBT") at 1, 2-3.

<sup>14</sup> See, e.g., SWBT at 1 ("[n]o technology exists" to provide the information short of an operator); USOC at 6 (noting that to implement real-time rate quotes on all calls would require the total replacement of embedded site equipment or the creation of a

Bureau's questions make clear that the creation of such technical feasibility would be very expensive -- a lot of costs with but limited benefit for a very few.

Furthermore, persuasive arguments are made that the creation of such functionality, far from being supported by additional market demand as suggested by the Bureau,<sup>15</sup> would create sufficient additional call-processing delay so as to annoy and frustrate calling parties.<sup>16</sup> Such would clearly be contrary to the public interest.

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centralized database, causing a change in the trend to decentralized systems). Accord APCC at 3-4, 5 (manufacturers indicate that to provide a complete set of rate tables within each payphone for all payphone calls would "place huge demands on available memory capacity" and that the cost would be prohibitive for new phones as well as the embedded base); Intellicall at 3-7 (outlining the requirements for a real-time rate quote capability in store-and-forward payphone technology and the need to totally change out embedded equipment to implement such a methodology; noting that the creation of such capabilities would take up to 14 months and would be very expensive). Opticom suggests that real-time rate disclosures could be developed, describing how it might be done technically; it advises that it would take Opticom approximately two man years to do so, and suggests that the process would be more complicated for larger OSPs that have disparate switching and voice platforms, because a solution for both hardware and software components would be needed. Opticom at 1-3. Compare Bell Atlantic, et al. at 4 (estimating that it would take 18 to 24 months "after specifications . . . have been agreed upon" to create a real-time rating methodology); CompTel at 7-8 (outlining the necessary tasks to create a rate quote functionality); MCI at 5 (noting that the "implementation of the ability to provide a rate quote for all 0+ calls would impact virtually every system in MCI's network"); AMNEX at 3-5 (describing the tasks involved and the complex interactions in creating a real-time rate quoting capability).

<sup>15</sup> See, e.g., Bell Atlantic, et al. at 3 (noting that "there has never been any consumer market demand" for real-time, on-line rate information); Intellicall at 4-5 (any demand for such a technology would not come from the market but from regulatory requirements and would be unlikely to assure cost recovery); CompTel at 8.

<sup>16</sup> See, e.g., AMNEX at 4 (rate quote would add around 10-15 seconds); USOC at 6 (estimating an additional 20-30 seconds in order to check the jurisdiction of each call so that interstate calls get routed to a centralized rating system); Opticom at 3 (12 seconds); Inmate Coalition at 4 (15 to 30 seconds); see also USLD at 10-11, noting the absolute correlation between holding times and hang-ups (suggesting a

In conclusion, while there remain certain portions of the payphone and aggregator market that have not responded to the calling public in a way suggestive of competitive pressures, it is clear that these portions of the market are limited -- and growing smaller daily. As noted by some commentators, the extra-regulatory suggestions inherent in the Bureau's questions are at odds with the admitted competitive, increasingly mature, nature of the industry it seeks to regulate.<sup>17</sup>

The Commission should deal with malcreants in this market the way it generally does with other portions of the telecommunications industry -- through enforcement activities. Barring that, it should impose the most minimal requirements possible on the industry to secure the desired result. A conservative approach, such as that reflected by U S WEST's "stay on the line" education proposal or the CompTel general announcement, is the most appropriate way to

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potential 38% increase in call abandonment as a result of a 3% increase in call processing time); and MCI, noting its previously submitted Gallup Survey suggesting that ease of call completion is a convenience consumers would not forego even for a significant price decrease. MCI at 3-4, and Attachment. And see id. at 4 (suggesting an additional 5-10 seconds call processing time if rate information could be automated; 30-60 second increase if rate information needed to be provided by a live operator; and further noting the increase in price to even uncompleted calls due to the assessment of access charges on underlying transport provider); Bell Atlantic, et al. at 3-4 (noting that consumers are more willing to tolerate dialing delay with respect to new or different services, neither of which describes 0+ calling; provision of rate information could add 9-12 seconds). Furthermore, a number of parties note the Commission's concern in the area of 800 calling with post-dial delay, deferring as it did the implementation of the 800 database method until the delay could be reduced to 1.5 to 3 seconds. See, e.g., Oncor at i, 5; SWBT at 1, 3; Bell Atlantic, et al. at 4. All the estimated calling delays associated with the notion of real-time or exact rate quotes substantially exceed that regulatory benchmark.

<sup>17</sup> See, e.g., Oncor at 8-11; Intellicall at 8-9; SWBT at 4.

proceed. Particularly in light of the other regulatory initiatives ongoing with respect to the payphone/OSP industry, it is the approach most in the public interest.

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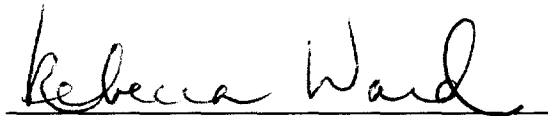
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## **CERTIFICATE OF SERVICE**

I, Rebecca Ward, do hereby certify that on this 3rd day of December, 1996, I have caused a copy of the foregoing **REPLY COMMENTS OF U S WEST, INC.** to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.

  
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